

Message Text

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PAGE 01 STATE 206078
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DRAFTED BY EUR/SE:AFLANIGAN:CSR

APPROVED BY C:MNIMETZ

EUR/SE:RCEWING

EUR:GSVEST

D:MBARNES

S/S-O: LRFLEISCHER

-----098345 151520Z /45

O P 151456Z AUG 78

FM SECSTATE WASHDC

TO AMEMBASSY ANKARA IMMEDIATE

INFO AMEMBASSY ATHENS PRIORITY

AMEMBASSY NICOSIA PRIORITY

CONFIDENTIAL STATE 206078

EXDIS

E.O. 11652:GDS

TAGS:IMF, EFIN, US, TU

SUBJECT:ELEKDAG MEETING WITH DEPUTY SECRETARY AUGUST 12

1. AFTER MEETING WITH DEPUTY SECRETARY CHRISTOPHER AUGUST 11 (SEPTELS) TURKISH MFA SECRETARY GENERAL ELEKDAG RECEIVED INSTRUCTIONS FROM PRIME MINISTER ECEVIT TO SEEK ANOTHER MEETING. DURING MEETING MORNING AUG 12 ELEKDAG, WHO WAS ACCCOMPANIED BY TURKISH AMBASSADOR ESENBEL AND MFA OFFICIAL ERALP, MADE THE FOLLOWING PRESENTATION BASED ON HIS INSTRUCTIONS:

2. TURKEY'S ECONOMIC AND FINANCIAL PROBLEMS ARE VERY GRAVE. THE GOT HAS SHOWN ITS DETERMINATION TO OVERCOME
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 206078

THESE PROBLEMS AND HAS TAKEN WIDERANGING, BOLD AND COURAGEOUS STEPS. AS THE PRIME MINISTER HAD EARLIER MADE CLEAR IN HIS MEETINGS WITH SECRETARY VANCE AND DEPUTY SECRETARY CHRISTOPHER THE GOT IS UNABLE TO DISSOCIATE ECONOMIC AND MILITARY MATTERS. IF THE TURKISH ECONOMY FAILS THE DEFENSE SYSTEM WILL BE DEBILITATED. IF TURKEY CAN NOT OBTAIN RELIEF FROM ITS PRESENT CRISIS IT WILL ENTER A STAGE WHICH

COULD EFFECT THE FAILURE OF THE REGIME. THEREFORE, TURKEY EXPECTS ITS AMERICAN ALLIES TO: A) EXERT THEIR INFLUENCE ON THE INTERNATIONAL MONETARY FUND TO ASSURE THAT TURKEY IS ABLE TO DRAW THE NEXT TRANCHE OF ITS STANDBY; B) EXERT THEIR INFLUENCE ON COMMERCIAL BANKING INSTITUTIONS IN ORDER

TO HASTEN DEBT RESCHEDULING AND TO CONVINCE THE BANKS TO PROVIDE DOLS 500 MILLION IN NEW CREDITS; AND C) TO MAKE CONCRETE PROPOSALS FOR ECONOMIC ASSISTANCE AS WELL AS JOINT AND COPRODUCTION SCHEMES.

3. FINALLY, ELEKDAG SAID THE PROPOSED STATEMENT TO BE MADE AT THE CONCLUSION OF HIS VISIT TO WASHINGTON CONCENTRATES ON THE INSTALLATION QUESTION AND DOES NOT GIVE ADEQUATE ATTENTION TO QUESTIONS OF ASSISTANCE AND COPRODUCTION. TO IGNORE THESE SUBJECTS IS NOT ONLY INCONSISTENT WITH THE UNDERSTANDING REACHED IN PREVIOUS CONVERSATIONS BUT ALSO WOULD NOT MEET PUBLIC EXPECTATIONS.

4. ELEKDAG CONCLUDED HIS PRESENTATION BY SAYING HE HAD ALSO TALKED TO ANKARA BOTH FRIDAY NIGHT AND SATURDAY MORNING, AND IN RESPONSE TO THE DEPUTY SECRETARY'S SUGGESTION THE GOT IS SENDING MINISTER OF FINANCE MUEZZINOGLU TO WASHINGTON IMMEDIATELY. MUEZZINOGLU WILL BE ARRIVING AUGUST 13 OR 14. HE SAID ECEVIT'S ORAL MESSAGE AND THE TURKISH DECISION TO SEND MUEZZINOGLU EMPHASIZES THE

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PAGE 03 STATE 206078

GRAVITY OF THE SITUATION. FOR TURKISH DEMOCRACY TO OVERCOME THIS DIFFICULT SITUATION US ASSISTANCE, UNDERSTANDING AND SUPPORT WILL BE NECESSARY. ELEKDAG SAID HIS CONVERSATION WITH THE DEPUTY SECRETARY AUGUST 11 HAD GIVEN HIM A HOPEFUL FEELING. HE SAID HE FELT CONFIDENT THAT MUEZZINOGLU'S VISIT WOULD RESULT IN A MEETING OF MINDS WITH THE IMF AND THAT THE AUGUST 26 DRAWING WILL BE POSSIBLE.

5. THE DEPUTY SECRETARY SAID HE APPRECIATED RECEIVING THE PRIME MINISTER VIEWS TO REINFORCE WHAT ELEKDAG HAD ALREADY SAID. AS A RESULT THE US WOULD REDOUBLE ITS EFFORTS, KEEPING IN MIND THE INDEPENDENCE OF THE IMF. HE REPEATED HIS COMMITMENT OF THE PREVIOUS DAY THAT UNDERSECRETARY COOPER WOULD TALK TO BANKERS IN NEW YORK ABOUT THE PACE OF THE DEBT RESCHEDULING. SENIOR DEPT OFFICIALS WOULD ALSO BE PLEASED TO MEET WITH MUEZZINOGLU AND FACILITATE HIS VISIT. IN CONCLUSION HE URGED ELEKDAG TO URGE ON THE GOT THAT THE MINISTER OF FINANCE COME TO THE IMF WITH SPECIFIC COMMITMENTS FOR ACTION. US EXPERIENCE WITH THE FUND, HE SAID, IS THAT AT THIS STAGE SPECIFIC COMMITMENTS RATHER THAN ARGUMENTATION WILL BE NECESSARY TO CHANGE THE SITUA-

TION.

6. AS THE MEETING ENDED THE PROPOSED PUBLIC STATEMENT TO BE MADE AT THE CONCLUSION OF ELEKDAG'S VISIT WAS MODIFIED TO TAKE ACCOUNT OF TURKISH VIEWS. THE NEW TEXT SENT STATE 204769.

7. ALSO PRESENT AT THE MEETING WERE COUNSELOR NIMETZ, EUR/SE ACTING DIRECTOR DILLERY, AND TURKISH DESK OFFICER FLANIGAN. CHRISTOPHER

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PAGE 01 STATE 206078
ORIGIN SS-15

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EXDIS FROM UNA

FOLLOWING REPEAT STATE 206078, ACTION ANKARA INFO ATHENS
NICOSIA 15 AUG:

QUOTE CONFIDENTIAL STATE 206078

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E.O. 11652:GDS

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PAGE 02 STATE 206078

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PAGE 03 STATE 206078

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UNQUOTE CHRISTOPHER
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PAGE 04 STATE 206078

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